

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re:

GREAT LAKES COMNET, INC.

Debtor.

Chapter 11

Case No. 16-_____

In re:

COMLINK, L.L.C.

Debtor.

Chapter 11

Case No. 16-_____

Honorable _____

**DECLARATION OF JEFFREY L. JOHNSTON IN SUPPORT OF DEBTOR-IN-
POSSESSION FINANCING**

I, Jeffrey L. Johnston, make this declaration under 28 U.S.C. §1746:

1. I am a Managing Director of AlixPartners, LLP ("AlixPartners"), Financial Advisor to the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"). AlixPartners is a global business advisory firm offering comprehensive services to improve corporate performance, execute corporate turnarounds and provide litigation consulting and forensic accounting services. AlixPartners has offices in eight North American cities, including Southfield, Michigan.
2. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge, my review of relevant documents or my opinion based upon my experience and knowledge of the Debtors' operations and financial conditions. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration.

3. As noted above, I am a Managing Director with AlixPartners. I have more than 30 years' experience in corporate turnarounds, including providing financial advisory services to debtors, senior lenders and creditor committees in chapter 11 cases as well as advising underperforming companies and creditors to underperforming companies in out-of-court restructurings. I have experience evaluating the viability of troubled companies and developing and implementing responsive profit enhancement, debt restructuring and asset disposition solutions. I have also served in a number of fiduciary roles in and outside of chapter 11 cases, including Chief Restructuring Officer, receiver and independent liquidating agent. I have been qualified, and testified, as an expert witness in many chapter 11 cases and other commercial matters.

4. Prior to joining AlixPartners in 2007, I was employed for 20 years at Conway MacKenzie & Dunleavy, a professional services firm, most recently as a Senior Managing Director. There, I specialized in insolvency, reorganization, litigation support and forensic accounting. Before that, I was employed by Deloitte & Touche for four years providing auditing services in the field of public accounting.

5. During the past 30 years, I have consulted on matters in a number of industries including, but not limited to, retail, consumer products, real estate, financial services, distribution, automotive, telecommunications, manufacturing, contracting and forest products.

6. I am a Certified Public Accountant, Certified Fraud Examiner and Accredited in Business Valuation and Certified in Financial Forensics by the American Institute of Certified Public Accountants. I have a bachelor's degree in accounting from Michigan State University. I am also a member of the Turnaround Management Association, Association of Certified Fraud

Examiners, American Bankruptcy Institute and the Michigan Association of Certified Public Accountants.

7. The Debtors retained AlixPartners as their Financial Advisors in August, 2015. I am in charge of and responsible for the engagement on behalf of AlixPartners. Since that time, I have become very familiar with the financial condition of the Debtors, their operations and their cash flows. At the Debtors' request, my colleagues under my supervision and control prepared a 13 week, weekly cash forecast, that begins this week, the week ended January 29, 2016. See *Cash Flow Forecast* appended as Exhibit A ("Cash Flow Forecast"). The Cash Flow Forecast assumes no new debt (other than the incurrence of trade debt in the ordinary course) or equity financing, capital or other liquidity infusion (other than the collection of accounts in the ordinary course), and that the Debtors have unrestricted access to 100% of their existing cash and future cash collections during the period covered by the Cash Flow Forecast.

8. The Cash Flow Forecast demonstrates that without additional borrowings or capital infusion, the Debtors will have insufficient cash and cash collections and, therefore, insufficient cash collateral (assuming all cash and cash collections constitute cash collateral) to operate their businesses beyond this week. Consequently, the Debtors will run out of cash well before any sales process could be completed and any section 363 sale closed.

9. Even assuming that the Debtors have complete and unrestricted access to all of their cash and other cash equivalents to operate their businesses in the ordinary course, including cash on hand on the date of the commencement of their bankruptcy cases and all future collections of accounts receivable and other revenues, proceeds, rents and profits, their complete and unrestricted use of that cash and future cash would be insufficient to enable the Debtors to operate beyond this week.

10. As a result, the Debtors would not be able to sustain their business operations solely with the permitted use of cash collateral, and require additional liquidity to finance their current operations in the form of the section 364 credit requested in the motion to obtain debtor-in-possession financing.

11. Attached as Exhibit B to the proposed Interim DIP Order is a Budget that was prepared by me or at my direction. The Budget assumes that the request for debtor-in-possession financing is approved in the form and with the terms requested. According to the Budget, the Debtors require debtor-in-possession financing in the aggregate amount of \$3,850,000 in order to avoid immediate and irreparable harm for the next 45 days.

12. The Debtors must have the interim relief requested in order to maintain and operate their businesses. Absent the interim relief requested, the Debtors will be unable to meet their payroll obligations or to preserve and protect their assets and the value of those assets, and operations will cease. As a result, the Debtors need the DIP Facility and the amount requested on an interim basis to avoid immediate and irreparable harm to the Debtors' bankruptcy estates until a final hearing can be held. Absent access to the DIP Facility, the Debtors' businesses will simply shut down and their employees will have to be terminated.

13. I have read the motion for debtor-in-possession financing and I believe the factual statements therein to be true.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: January 25, 2016


Jeffrey L. Johnston

EXHIBIT A

Great Lakes Comest and Comlink
13 Week Forecast Beginning With Week Ended January 29, 2016

Week #:	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week Ended:	1/29/16	2/5/16	2/12/16	2/19/16	2/26/16	3/4/16	3/11/16	3/18/16	3/25/16	4/1/16	4/8/16	4/15/16	4/22/16	
Cash Receipts														
Collections on Existing A/R and Forecasted Collections														
GLC	\$ 12,984	\$ 198,326	\$ 123,497	\$ 19,026	\$ 48,146	\$ 173,403	\$ 154,880	\$ 148,436	\$ 189,834	\$ 119,479	\$ 212,258	\$ 109,228	\$ 46,920	\$ 1,556,417
Comlink	85,679	143,864	134,490	439,115	117,514	233,295	409,916	443,735	257,097	254,395	373,746	372,055	251,620	3,515,522
Total A/R Receipts and Forecasted Collections	98,663	341,190	257,987	458,141	165,660	406,698	564,795	592,171	446,931	373,874	586,004	481,283	298,540	5,071,938
Other Cash Receipts (CCTC)	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	29,222	379,886
Total Cash Receipts	127,885	370,412	287,209	487,363	194,882	435,919	594,017	621,393	476,153	403,096	615,226	510,505	327,762	5,451,824
Cash Disbursements														
Wages	202,900	-	226,791	-	246,791	-	226,791	-	318,291	-	226,791	-	318,291	1,766,646
Employer 401(k) Contribution	5,853	-	6,570	-	7,170	-	6,570	-	9,315	-	6,570	-	9,315	51,361
Employer Payroll Taxes	28,952	-	32,356	-	18,283	-	16,753	-	23,753	-	16,753	-	23,753	160,602
Health, L.T. Dis. & WC Insurance	88,047	-	-	-	88,047	-	88,047	-	88,047	-	88,047	-	88,047	352,188
Circuit Lease Costs/Colocation Rent	36,380	100,800	123,011	123,011	56,380	100,800	123,011	123,011	56,380	100,800	123,011	123,011	56,380	1,265,984
Taxes	3,403	543,934	7,425	7,425	3,403	6,084	7,425	7,425	3,403	6,084	7,425	7,425	3,403	614,263
Repairs and Maintenance	12,970	23,189	28,298	28,298	12,970	23,189	28,298	28,298	12,970	23,189	28,298	28,298	12,970	291,234
Construction and Equipment	43,077	77,016	93,986	93,986	43,077	77,016	93,986	93,986	43,077	77,016	93,986	93,986	43,077	927,268
Professional Services	19,519	26,388	79,823	29,823	69,519	26,388	267,323	29,823	128,269	26,388	229,823	29,823	69,519	1,032,429
Commissions (External Agents)	-	-	70,291	-	-	-	-	70,291	-	-	-	-	-	210,873
Travel, Meals & Entertainment	-	44,014	-	-	-	14,671	-	-	-	-	14,671	-	-	73,337
Rent and Utilities	8,098	14,477	17,667	17,667	8,098	14,477	17,667	17,667	8,098	14,477	17,667	17,667	8,098	181,826
IRU/Inventory Maintenance	3,370	6,024	386,352	7,352	3,370	6,024	7,352	7,352	3,370	6,024	7,352	7,352	3,370	514,661
Other	26,449	47,287	56,182	56,182	25,750	46,038	56,182	56,182	25,750	46,038	56,182	56,182	25,750	580,154
Total Disbursements	499,016	883,130	1,128,751	363,743	582,836	314,689	851,357	434,034	720,721	500,017	888,328	414,034	641,971	8,022,846
Net Cash Flows Before Financing	(371,131)	(512,718)	(841,542)	(123,620)	(387,954)	(121,231)	(257,339)	(187,359)	(244,568)	(103,079)	(273,302)	(96,471)	(314,209)	(2,571,022)
Cumulative Net Cash Flows Before Financing	(371,131)	(883,840)	(1,725,390)	(1,601,770)	(1,989,744)	(1,868,513)	(2,125,852)	(1,938,494)	(2,183,061)	(2,079,982)	(2,353,284)	(2,536,813)	(2,571,022)	
Financing														
Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(371,131)	(512,718)	(841,542)	(123,620)	(387,954)	(121,231)	(257,339)	(187,359)	(244,568)	(103,079)	(273,302)	(96,471)	(314,209)	(2,571,022)
Beginning Cash	75,692	(295,439)	(808,136)	(1,649,698)	(1,526,078)	(1,914,052)	(1,792,821)	(2,050,160)	(1,862,801)	(2,107,369)	(2,004,290)	(2,277,592)	(2,181,121)	
Add: Net Cash Flow	(371,131)	(512,718)	(841,542)	(123,620)	(387,954)	(121,231)	(257,339)	(187,359)	(244,568)	(103,079)	(273,302)	(96,471)	(314,209)	
Ending Cash	(295,439)	(808,136)	(1,649,698)	(1,526,078)	(1,914,052)	(1,792,821)	(2,050,160)	(1,862,801)	(2,107,369)	(2,004,290)	(2,277,592)	(2,181,121)	(2,495,329)	